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IN THE

Supreme Court of the United States

OCTOBER TERM, 1971

No. 71-50

THE HONORABLE EDWIN M. STANLEY, CHIEF JUDGE, UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF NORTH CAROLNA,

Petitioner,

vs.

TIGHTS, INC.,

Respondent,

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

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TIGHTS, INC., *Respondent*.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

To the Honorable, the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your petitioner, Chief Judge of the District Court for the Middle District of North Carolina, respectfully prays that a Writ of Certiorari issue to review the decision of the United States Court of Appeals for the Fourth Circuit in the above action, decided April 12, 1971, reversing orders of said District Court denying Respondent jury trials as

to the statutory issues of patent validity and infringement in two actions below.

OPINIONS BELOW

The decision of the United States Court of Appeals for the Fourth Circuit in the above action, decided April 12, 1971, is reported at 169 USPQ 578, 441 F.2d 334 (4 Cir. 1971), and appears as Appendix A to this petition. The order granting the stay of the Mandate of the Court of Appeals pending application to this Court for Writ of Certiorari, granted May 6, 1971, appears as Appendix B to this petition.

The orders of the United States District Court of the Middle District of North Carolina in the two actions below, namely, *Tights, Inc.* v. *Acme-McCrary Corporation* and *Tights, Inc.* v. *Kayser-Roth Corporation,* entered December 14, 1970 but not officially reported, appear as Appendix C.

JURISDICTION

The decision sought to be reviewed by Writ of Certiorari was decided by the United States Court of Appeals for the Fourth Circuit on April 12, 1971.

The jurisdiction of this Court is conferred by Title 28, United States Code, §1254(1).

FEDERAL JURISDICTION OF THE COURT OF FIRST INSTANCE

The United States District Court for the Middle District of North Carolina is the court of first instance in this case and its jurisdiction is conferred by Title 28, United States Code, §1338.

QUESTIONS PRESENTED

As to the Merits

Should Not This Court Recognize That The Statutory Issue Of Patent Validity Is So Clothed With Public Interest As To Necessitate Clarification As To Whether A Party Always Has A Constitutional Right To A Jury Trial On The Issue Of Patent Validity Regardless Of The Facts And Circumstances Of A Particular Case?

As to the Certiorari Policy

Should not this Court resolve the *conflicting views and opinions of the lower federal courts* as to:

(1) the proper application of the Seventh Amendment to the Constitution of the United States to the issue of whether a party is entitled to trial by jury in patent actions *as a matter of Constitutional right* with respect to the statutory issues of patent validity when such issue has justifiably been separated from all other issues which might form a part of the action;

(2) whether the decisions of this Court in *Beacon Theatres, Inc.* v. *Westover,* 359 U.S. 500 (1959), and *Dairy Queen, Inc.* v. *Wood,* 369 U.S. 469 (1962), (non-patent actions), compel the granting of trial by jury in patent actions *as a matter of Constitutional right* with respect to the statutory issue of patent validity when such issue has justifiably been separated from all other issues which might form a part of the action?

Should not this Court in the interest of *judicial economy and administration* clarify whether a party *always has a Constitutional right* to a jury trial on the issue of patent validity regardless of the facts and circumstances of a particular case.

CONSTITUTIONAL PROVISIONS INVOLVED

United States Constitution, Amendment VII.

> "In suits at common law, where the value in controversy shall exceed Twenty Dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law."

STATEMENT OF THE CASE

The respondent, Tights, Inc., a North Carolina corporation, claiming ownership of Letters Patent of the United States, Reissue No. RE 25, 360,[1] a copy of which appears as Appendix D, for a combination stockings and panty garment, instituted two separate actions below against Acme-McCrary Corporation and Kayser-Roth Corporation in the District Court for the Middle District of North Carolina on December 16, 1969 and August 20, 1970, respectively.

In *Acme-McCrary,* respondent sought injunctions against patent infringement and an accounting for damages. Acme-McCrary denied infringement and contested validity of the patent and counterclaimed for injunctive relief and an accounting for treble damages under the federal antitrust laws. *In Kayser-Roth,* respondent, in addition to the above, alleged breach of contract and requested damages and an injunction arising out of its previous license agreement with Kayser-Roth. Kayser-Roth additionally sought return of monies previously paid to respondent.

At a joint hearing conducted on December 4, 1970 in *Acme-McCrary* and *Kayser-Roth,* the District Court separated the issues of patent validity and infringement deter-

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[1]The scope of the single claim of this patent has been previously determined and limited in the case of *Morpul, Inc.* v. *Glen Raven Knitting Mill, Inc.*, 238 F. Supp. 120 (M.D. N.C. 1965), aff'd 357 F.2d 732 (4 Cir. 1966).

minable of the equitable relief sought from the remaining issues and granted motions to strike the demands for jury trials as to these issues (see Appendix C). *Respondent has never made a showing or even argued that there existed factual questions common to the issues of validity and infringement and to the other clearly separate issues in the respective actions.* Respondent's position has simply been that because it had asked for an accounting for damages in both actions, i.e., legal relief, it was therefore entitled to jury trials as to the statutory issues of patent validity and infringement as a matter of Constitutional right, regardless of the factual questions.

On appeal, the Fourth Circuit Court of Appeals reversed the decisions of the District Court and granted a Writ of Mandamus directing the District Court Judge in the two actions below to vacate his orders striking respondent's demands for jury trials as to the issues of patent validity and infringement[2] (see Appendix A). The decision of the Court of Appeals was apparently without regard to whether there were any specific factual questions in the cases below relating to the issues of patent validity and infringement, and, if so, without regard to whether any of them were common to any of the other separate issues of damages, antitrust violations, breach of contract, etc.

REASONS FOR ALLOWANCE OF THE WRIT OF CERTIORARI AND ARGUMENT

A Patent Is A Special Statutory Creation Of A Limited Monopoly Clothed With Strong Public Interest

Because a patent is a statutory creation which by its very nature is affected with a public interest, the national policy

[2]Although the infringement issue was included in the considerations below, the heart of a patent action is validity of the patent in suit and clarification of this issue is what is sought here.

expressed in the patent laws favoring free competition and narrowly limiting monopoly cannot be frustrated by non-uniform treatment by the Federal Court System.

Constitutionally and Congressionally sanctioned, this Court recently recognized in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation,* 91 S. Ct. 1434, 1450 (1971):

> "[A patent] is an exception to the general rule against monopolies and to the right to access to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope. *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Machinery Co.,* 324 U. S. 806, 816 (1945)."

Thusly characterized and for more than a century recognized as a desirable stimulus to invention, the public must nevertheless be protected against patent monopolies which do not warrant the preferential treatment they are accorded by the very laws under which they are sanctioned.

In the first instance, an inventor submits his application for patent to an ex parte examination in the United States Patent Office for a determination by the Patent Office as to the patentability of the invention. Historically, the Patent Office has been plagued during this ex parte examination by a lack of complete knowledge of the prior art relating to the particular field of invention involved, by a tremendous case-load per Examiner in the Patent Office, by production goals and work requirements set by the Patent Office, by inexperience in properly applying the statutory requirements of patentability, etc., all resulting in a somewhat incomplete determination of patentability and validity. It is only when

the question of patent validity is contested in an interparties proceeding in the Federal Courts that a full and true examination of validity is obtained which is determinative of whether or not the "patent monopoly" is properly accorded to the inventor. This was recognized by this Court in the decision of *Graham* v. *John Deere Co.*, 383 U. S. 1, 18 (1966), in stating:

> "We have observed a notorious difference between the standards applied by the Patent Office and by the courts."

Unlike most actions at common law, patent actions are intrinsically distinctive. They are grounded for the most part on the statutory requirement of validity of the patent in suit. Obviously, the determinations to be made in such actions differ greatly from common law actions. As characterized in *Blonder-Tongue,* patent litigation is technical, difficult and presents unusual potential for unsound adjudications. It often presents issues so complex that without appropriate grounding in both the statutory requirements of patentability and in science and technology, the Federal Judiciary inevitably struggles with each determination of patent validity which comes before it.[3] To complicate this situation by granting trials by jury as a matter of Constitutional right with respect to the statutory legal issue of patent validity[4] would be a traversity on the patent system, the

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[3]Although the subject matter of the particular patent in suit in the actions below (as pointed out by the Fourth Circuit Court of Appeals in its decision below) is not complicated from a technical standpoint and may very well be decided by summary judgment, the statutory determinations of patent validity are always complicated and the question which should be resolved by this Court is far-reaching and encompasses patents which may be more complicated in their technology.

[4]The ultimate issue of patent validity is a matter of law [*Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147 (1940)], and only if validity is in doubt, factual evidence as to secondary considerations such

Federal Court System and the general public. Faced with the prospect of having these issues directly or indirectly determined by untrained and easily influenced juries would thwart the concept of a unitary patent system which operates to promote rather than frustrate progress and free trade.

As exemplified by this Court's recent decisions in *Sears, Roebuck & Co.* v. *Stiffel Company*, 376 U. S. 225 (1964), *Compco Corp.* v. *Day-Brite Lighting, Inc.*, 376 U. S. 234 (1964), *Lear, Inc.* v. *Adkins*, 395 U.S. 653 (1969), and even more recently in *Blonder-Tongue*, a patent is clothed with substantial public interest and there should be no restriction of one's right to contest the validity of patents which may unjustly deprive one of fairly competing. It is submitted that if trial by jury were always granted as to the statutory issue of patent validity, businessmen would be forced into economic settlements, acquiescing to the validity of patents which are in fact invalid and should be so declared in the public interest, and thereby acquiescing to improperly granted "patent monopolies" which affect the public at large. The "economics" of trial by jury in such actions defeat the very principles which Congress and this Court have for so long and so vigorously advanced. In order to protect and preserve the public purposes and the privileges accorded inventors, it is imperative to have all Federal Courts apply the same constant construction of the federal laws in order to preserve the patent system under "uniform federal standards" . . . carefully used to promote invention while at the same time preserving free competition."

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as commercial success, long felt but unresolved needs, failure of others, etc., may be relevant [*Graham* v. *John Deere Co.*, supra]. The trial court and not the jury must unravel the facts which may or may not be intermingled with questions of legal interpretation, and thereafter determine the usually complex statutory legal question of validity which is the paramount determination.

There Is No Constitution Requirement For Trial By Jury As To The Issue Of Patent Validity

The Seventh Amendment to the Constitution of the United States, quoted above, does not accord a party the absolute right to trial by jury as to the statutory issue of patent validity in patent actions. The right of trial by jury is only preserved in actions sounding at common law.

There Is No Authority Of This Court In The *Beacon Theatres* and *Dairy Queen* Cases Or Otherwise For Trial By Jury As To The Issue Of Patent Validity

The Fourth Circuit Court of Appeals relied upon this Court's decisions in the cases of *Beacon Theatres, Inc.* v. *Westover*, 359 U. S. 500 (1959), and *Dairy Queen, Inc.* v. *Wood*, 369 U. S. 469 (1962). However, *Beacon Theatres* and *Dairy Queen* did not involve the issue of patent validity and the holdings of these cases do not support the contention that there is a Constitutional requirement for trial by jury as to the issue of patent validity. *Beacon Theatres* and *Dairy Queen* do not in any way change the prior state of the law with respect to trial of issues sounding in equity by a Court without a jury, such as the issue of an injunction, *where no Constitutional right of trial by jury of factual determinations relating to other issues sounding at law are denied.* The separation of the issue of patent validity, determinative only of the equitable remedy of an injunction in classical patent actions such as the actions below, does not deprive a patentee in a classic patent action or respondent here of a jury determination of common factual questions since the issue of patent validity does not involve common factual questions with any of the remaining issues.

The *Beacon Theatres* case was basically an antitrust action involving both issues sounding at common law and

in equity and which included common factual determinations between both the legal and equitable claims. The District Court separated the equitable and legal issues and directed that the equitable issues should be tried to the Court prior to a jury determination of the legal issues. The Court of Appeals upheld the District Court's Order and this Court reversed the judgment of the Court of Appeals and held that the District Court Judge abused his discretion in ordering trial of the equitable claim first by the Court without a jury, *because the effect was to collaterally estop Beacon from a jury trial on the common factual issues which went to a determination of both the equitable and legal claims.*

The *Dairy Queen* case was basically a breach of contract and trademark infringement action[5] in which plaintiff prayed for injunctions and an accounting for damages. Defendant raised a number of defensives including antitrust violations. The District Court granted defendant's motion to strike plaintiff's demand for jury trial on the alternative ground that either the action was "purely equitable" or, if not purely equitable, that whatever legal issues were raised were "incidental" to equitable issues, and that in either case no right to trial by jury existed. The Court of Appeals denied a request for mandamus and this Court granted certiorari reversing the District Court's decision and held that *there were common factual questions to both the legal and equitable issues.*

Accordingly, both *Beacon Theatres* and *Dairy Queen* involved *common factual issues determinative of both the equitable and legal relief sought.* However, as discussed, classic patent actions and the actions below do not involve common factual questions between the legal relief and the equitable relief sought.

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[5]A trademark is a common law creation subject to State and Federal registration and differs completely from a patent which is a statutory creation.

Rather than expand the holdings of *Beacon Theatres* and *Dairy Queen,* this Court recently reaffirmed the long existing difference between actions at law and at equity in *Katchin* v. *Landy,* 382 U. S. 323 (1966), and held that the right of jury trial does not extend to cases of equity jurisdiction. Further, in *Ross* v. *Bernhard,* 396 U. S. 531 (1970), this Court stated that "the Seventh Amendment question depends on the nature of the issue to be tried rather than the character of the overall action". The dissenting opinion of Mr. Justice Stewart, with whom the Chief Justice and Mr. Justice Harlan joined, noted "there is no consensus among commentators on the desirability of jury trials in civil actions generally" and "particularly where the issues in the case are complex as they are likely to be in a derivative suit — much can be said for allowing the Court discretion to try the case itself."

In the recently decided case of *McKeiver* v. *Pennsylvania,* Nos. 322 and 128 (S. Ct., June 21, 1971), this Court in deciding that juveniles do not have a Constitutional right to jury trial considered the practicalities of proper judicial administration and recognized that juvenile cases are special proceedings which would be disrupted by jury trials and stated:

> "But one cannot say that in our legal system the jury is a necessary component of accurate fact finding. There is much to be said for it, to be sure, but we have been content to pursue other ways of determining facts. Juries are not required, and have not been, for example, in equity cases, in workmen's compensation, in probate, or in deportation cases. Neither have they been generally used in military trials."

Thus, it is readily apparent that *there is no Supreme Court authority conferring an absolute right of trial by jury as to the statutory issue* of patent validity.

The Circuits Conflict As To Absolute Right To Trial By Jury In Patent Actions

There presently exists a critical divergence of opinion within the Federal Court System regarding whether there is an *absolute right to trial by jury* with respect to the statutory issue of patent validity. No fewer than three Circuits, the District of Columbia and the Second on one hand, and the Fourth on the other, are in direct conflict as to whether such an absolute right exists, and both the general public and the judiciary of the Federal Court System are dependent upon this Court to resolve this immediate and far-reaching federal question which today affects the entire field of patent law, and, to the best of Petitioner's belief, is a question of first impression to be presented to this Court.

The direct conflict amongst the Circuits is abundantly clear and arises from basically identical, classical patent actions wherein one party sues another for patent infringement seeking both injunctive relief and an accounting for damages and profits, and the second party, in addition to denying patent validity and infringement, counterclaims for a declaratory judgment of patent invalidity, and further counterclaims for injunctive relief and an accounting for treble damages under the antitrust laws. In such actions, the trial court, pursuant to Rule 42, F.R.C.P., or the parties may determine that separation of issues for discovery, pre-trial and trial purposes best serves the convenience of or avoids prejudice to the parties, or is more conducive to judicial administration. In any event, the statutory issue of patent validity invariably is separated from the other issues of such actions, and the paramount question is whether this issue must be tried before a jury as a matter of Constitutional right, or whether it may be tried to the court without a jury in view of the fact that it is usually determinative only of the equitable injunctive relief prayed for by either

of the parties and is not determinative of any issues relating to the legal relief in the nature of an accounting otherwise prayed for by either of the parties.

In deciding a classical patent action in the District of Columbia, *Railex Corporation* v. *Joseph Guss & Sons, Inc.*, 40 F. R. D. 119 (D. D. C. 1966), *aff'd* 382 F. 2d 179 (D. C. Cir. 1967), the District Court summarized the state of the law regarding the absolute right to trial by jury in patent actions as follows:

> "[W]hen the relief sought is primarily equitable, such as preliminary and final injunctions and an accounting of profits with a prayer for incidental legal relief in the form of an award of money damages, the case is a civil non-jury action in the nature of a suit in equity, and the parties are not entitled to demand trial by jury as a matter of right either under the Seventh Amendment or the Patent Act of 1952, Title 35 U. S. C.
>
> ". . . this case is therefore, essentially a civil non-jury action for patent infringement in the nature of a suit in equity."

The Second Circuit Court of Appeals in *Robinc* v. *Ryan*, 310 F.2d 797 (2 Cir. 1962), and subsequently sub nom *Robinc v. Apco, Inc.*, 386 F.2d 267 (2 Cir. 1967), held in affirming the District Court's striking of plaintiff's demand for a jury trial that the issue of patent validity was a matter of law and that it was therefore proper for a District Court to determine this issue without submitting it to a jury.

In the case before this Court for which review is requested, the Fourth Circuit Court of Appeals in reversing the decisions of the District Court Judge striking the demands of respondent for jury trials as to the statutory issues of patent validity and infringement, stated in its opinion

that since the time this Court decided *Beacon Theatres* and *Dairy Queens*:

> "[I]t is now 'well settled that such a trial [by jury] may be demanded' where the claim for money is joined with a claim for injunctive relief."

It is submitted that the decisions of the District of Columbia and Second Circuit Courts in *Railex* and *Robinc* represent the sound view, and indeed the only view which is consonant with the Seventh Amendment and the overwhelming weight of public and judicial policy regarding questions arising under the federal patent laws. The Fourth Circuit Court of Appeals irreconcilably extended the doctrine of *Beacon Theatres* and *Dairy Queen* to all patent cases despite the fact that there is no justification for *always* according a party an absolute right to trial by jury with respect to the statutory issues of patent validity and infringement *when there are no factual questions present which are common to the issues of validity and infringement and to the other clearly separate issues which may form a part of the action.*

To further illustrate the conflict between the Fourth and other Circuits with respect to the right to trial by jury in actions containing the issue of patent validity; it is submitted that the District Courts of the First and Sixth Circuits have taken the position that there is no absolute right to trial by jury with respect to this issue. In *Components, Inc.* v. *Western Electric Company,* 318 F. Supp. 959 (D. Me. 1970), the District Court separated antitrust from patent issues and stated at Page 967:

> *"Plaintiff has demanded and is entitled to a jury trial of the antitrust claims of Count One of the amended complaint, but not of the patent issues in Count Two, which will be triable to the Court. The evidence relating*

to invalidity and non-infringement will be irrelevant insofar as the jury is concerned, and a joint trial would but serve to confuse the jury by introducing issues which are not necessary to its determination. A joint trial under these circumstances would only result in confusion, difficulty, and possible prejudice, as well as a waste of jury time." (Emphasis added.)

In *Monroe Auto Equipment Co.* v. *Heckethorn Mfg. and Supply Co.,* 214 F. Supp. 704 (W.D. Tenn. 1963), the Tennessee District Court, on remand held that the separation of the issue of patent validity and trial of this issue to the court without a jury did not violate the party's right to a jury trial on the issues in the case sounding at common law.

In essence, the matter before this Court concerns the fundamental issues of whether the Federal Courts, particularly those of the District of Columbia, Second and Fourth Circuits, are properly interpreting and applying the dictates of the Seventh Amendment and certain of the federal laws relating thereto, and whether they are properly following the precedents and principles established by this Court.

Effective Judicial Administration Demands That This Court Clarify The Proper Application Of The Seventh Amendment To The Issue Of Validity In Patent Actions

Recognizing the fact that the ultimate decision of this Court with respect to the issues presented for review shall be based upon Constitutional and federal statutory interpretations, it is nevertheless submitted that there is a nexus between such interpretations and the practicalities of effective federal judicial administration.

A similar nexus existed in the *Blonder-Tongue* matter wherein Mr. Justice White, in delivering the opinion of the

unanimous Court, emphasized at great length and detail that patent actions which go to trial take an "inordinate amount of trial time" and are "unquestionably expensive":

> "Patent suits comprise between 1 and 2% of the total number of writ cases filed each year in the District Courts. Despite this relatively small figure, and notwithstanding the overwhelming tendency to try these cases without juries, patent cases that go to trial seem to take an inordinate amount of trial time . . . And time—particularly trial time—is unquestionably expensive." (Pages 1446 and 1447 of the reported opinion.)

Citing the *Annual Reports of the Director of the Administrative Office of the United States Courts*, this Court noted that for the fiscal years 1968 through 1970:

> "(1) something over 90% of all civil litigation is concluded within three full trial days, but less than half the patent cases are concluded in such a period of time; (2) whereas between 1.2% and 1.7% of civil non-jury trials in general require 10 or more trial days, between 14.7% and 19% of the patent cases tried to the Court require 10 or more days to conclude; and (3), while the three-year trend in the District Courts appears to be toward more expeditious handling of civil cases tried without a jury in terms of an annual increase in the percentage of cases concluded in three days or less and an overall decrease in the percentage of cases requiring 10 or more days, the trends in patent litigation are exactly contrary." (Note 31, Page 1447 of the reported opinion.)

In connection with the statistics cited by the Court, the Administrative Office of the United States Courts also reported that, during the same fiscal years, 1968 through 1970, only 23% of patent cases tried by juries was terminated within 3 days, as compared to approximately 50%

of patent cases tried without juries, and that the average trial time of patent cases tried by juries was approximately 17% longer than that of patent cases tried without juries. Further the "Weighted Index" for patent cases terminated during the 1970 fiscal year was 4; patent cases accounted for 1.5% of all civil cases terminated during 1970, whereas the trial effort for the same percentage of cases amounted to 6% of the total civil trial time spent during the same period.

This information is called to the Court's attention in view of the fact that most of the data and statistics considered and cited in the Court's *Blonder-Tongue* opinion relates to patent cases tried before courts without juries. It is submitted that trial by jury in patent cases only heightens the "Weighted Index" of the patent cases; both, for obvious reasons, from an economic and administrative standpoint. This, of course, applies to not only the trial stage of such cases, but also the discovery—pretrial stages.

In support of its decision in *Blonder-Tongue*, this Court relied specifically on *practical considerations* despite the fact that patent trials constitute only a small portion of the total amount of litigation in the Federal Courts. This Court obviously realizes that the United State Patent Office has reached a point of saturation with respect to the volume of patent applications prosecuted each year, and that because of the necessitated advent of accelerated examination procedures, the testing and proper determination of the scope and validity of patents comes only when they are the subject of adversary proceedings in Federal Courts. As a practical matter, the Federal District Courts have assumed the function of determining the validity of patents, and, under the present state of the patent laws and administration, public policy dictates that this is where patent validity is best determined *if* the same can be accomplished both effectively and expeditiously.

The impracticalities, if not the near possibility, of properly trying the issue of patent validity to a jury are readily apparent. One cannot overlook the fact that patent actions are extremely complicated and difficult, and without intending in any way to disparage jurors, it is certainly unlikely that juries composed of persons who rarely have had any experience whatsoever in either the field of patents or the technology to which they are directed would be able to do as effective a job as District Court Judges.

As previously indicated, there would be a substantial saving of time if juries were not used in patent actions to determine the validity of patents in suit. The reading of depositions and documents in open court could largely be omitted, as could the adherence to the strict rules of evidence which unquestionably complicate such actions. District Court Judges could review and consider all documents submitted without the necessity of having them resubmitted and read in open court to juries. This would obviously expedite determinations as to the particular facts in issue and as to the admissability of evidence concerning such facts, thereby eliminating many of the problems with respect to the rules of evidence which would occur if juries were required to determine them. Furthermore, appellate review would be much more effective if such courts were able to review the facts presented to the trial court, rather than requiring them to remand for retrial any questionable facts included in trial court records.

Possibly the greatest disadvantage of jury determinations in patent actions is that juries are required to reach decisions promptly at the close of the evidence. Also, the trial court judges are required to charge juries without sufficient time to formulate the complex issues into orderly sets of questions and instructions. When a patent action is tried to a District Court without a jury, there is an opportunity for counsel to brief the matters and have oral argu-

ments before the trial court judge. There is also an opportunity for the trial court judge to study the record and in many instances to reread the entire transcript and study many of the exhibits.

To ask juries to determine what the state of the art was and to determine whether something is an improvement or advancement worthy of a patent, whether something is a combination, an aggregation or an anticipation, or whether the claims of a patent are definite, etc., seems to be asking more than ordinary experience would lend one to expect juries to comprehend and determine. On the other hand, ordinary experience would lend one to expect District Court Judges to better comprehend and determine such matters, especially when they are equipped with experience and administrative procedures to assist them in such matters.

Clearly, in its decision of *Blonder-Tongue*, this Court recognized some of the *practical considerations* to be considered with respect to patent actions and their proper judicial administration. Although not ultimately detemi-native, the *practical considerations* indicated and discussed above should be considered by this Court with respect to the issues presented for review.

While the particular matter of whether the petitioner properly ruled in the actions below may not be considered in itself of sufficient import to warrant review by this Court, it is rare that a case in which such fundamental but as yet unanswered Constitutional questions rises to this Court having so many aspects of public and judicial moment. The entire field of patent law shall remain in a state of uncertainty until this Court determines whether trial by jury as to the statutory issue of patent validity is a matter of Constitutional right, and it is believed that this Court should seize this opportunity to clarify the standard for the Federal Court System to follow with respect thereto.

CONCLUSION

Wherefore your petitioner submits that there is an immediate and critical need for this Court to determine and pronounce the proper application of the Seventh Amendment to the Constitution of the United States with respect to actions concerning the statutory issue of patent validity, and prays that a Writ of Certiorari issue to the Court of Appeals for the Fourth Circuit to the end that this cause may be reviewed and determined by this Court, and that the judgment of the Court of Appeals be reversed.

Respectfully submitted,

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Submitted on behalf of Petitioner, The Honorable Edwin M. Stanley, Chief Judge, United States District Court for the Middle District of North Carolina

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Appendix A

United States Court of Appeals

FOR THE FOURTH CIRCUIT

No. 71-1018.

Tights, Inc.,

Petitioner,

versus

The Honorable Edwin M. Stanley,
Chief Judge, United States
District Court for the Middle
District of North Carolina,

Respondent.

On Petition for Writ of Mandamus.

(Decided April 12, 1971.)

Before SOBELOFF, Senior Circuit Judge, and BOREMAN and BRYAN, Circuit Judges.

SOBELOFF, Senior Circuit Judge:

Petitioner, Tights, Inc., is plaintiff in two patent infringement suits pending in the District Court for the Middle District of North Carolina. In each case the District Court granted a motion to strike petitioner's demand for a jury trial on the issues of validity and infringement, although jury trials were granted to assess damages should the court determine that a valid patent has been infringed.

Tights seeks from us a writ of mandamus directing the respondent judge to vacate his order striking the demands for jury trials on the issues of infringement and validity. We agree that the District Court erred in granting the motions to strike.

I

Tights, Inc., claims ownership by assignment of reissue patent No. RE 25360, a patent on a single garment combining stockings and a panty—commonly known as panty hose. The first case was begun on December 16, 1969, by Tights against Acme-McCrary Corporation alleging infringement of its patent and seeking injunctive relief, an accounting for damages, and an assessment of interest and costs. Acme-McCrary's answer denied infringement and denied the validity of the patent. It also included counterclaims seeking a declaratory judgment that the patent is invalid and not infringed by Acme-McCrary, and seeking injunctive relief and treble damages for alleged violation of the antitrust laws. Tights' reply to the affirmative defense and counterclaim, filed February 19, 1970, included a demand for jury trial on all issues.

On August 20, 1970, Tights instituted a second suit against Kayser-Roth Corporation alleging infringement of the same patent as well as breach of a patent licensing agreement. Again Tights sought both injunctive relief and an accounting for damages. Kayser-Roth, like Acme-McCrary, sought by counterclaim both a declaratory judgment that Tights' patent is neither valid nor infringed, and injunctive relief and treble damages under the antitrust laws. In addition, Kayser-Roth included a third counterclaim for recovery of royalties previously paid to Tights under the patent license agreement. Tights then filed a reply accompanied by a demand for jury trial.

Each defendant fined a motion to strike the demand for jury trial in its case. Both motions were considered by the court at a joint pretrial conference on December 4, 1970. Ten days later the court entered orders striking the jury trial demands as to the issues of validity and infringement, but separating the issues of damages, breach of contract, and violation of the antitrust laws for subsequent determination by a jury. Tights then instituted this petition for mandamus and the defendants below were given the opportunity to respond in accordance with Federal Rules of Appellate Procedure, Rule 21(b).

II

The Seventh Amendment to the Constitution states:

> In suits at common law, where the value in controversy shall exceed Twenty Dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any court of the United States, than according to the rules of the common law.

The Supreme Court has maintained a careful vigilance to assure this right against erosion, as is best illustrated by its decisions in *Beacon Theatres v. Westover,* 359 U.S. 500 (1959), and *Dairy Queen v. Wood,* 369 U.S. 469 (1962). The latter case bears so strongly on the case at hand that it merits brief summary before we turn to consideration of the arguments in opposition to the mandamus petition.

The *Dairy Queen* case arose from an action filed by the owner of the "Dairy Queen" trademark alleging breach of a licensing contract and infringement of the trademark. The complaint sought temporary and permanent injuctive relief and an accounting of monetary damages. The defendant's answer was occompanied by a demand for trial by jury.

The Supreme Court held that the District Court was in error in striking the demand for jury trial. Justice Black, speaking for the Court, indicated that the claim for monetary damages was a legal one whether characterized as a contract claim, trademark infringement claim, or hybrid of the two:

> As an action on a debt allegedly due under a contract, it would be difficult to conceive of an action of a more traditionally legal character. And as an action for damages based upon a charge of trademark infringement, it would be no less subject to cognizance by a court of law.

Id. at 477. The effect of that conclusion was to dictate that the case be tried to a jury:

> The holding in *Beacon Theatres* was that where both legal and equitable issues are presented in a single case, "only under the most imperative circumstances, circumstances which in view of the flexible procedures of the Federal Rules we cannot now anticipate, can the right to a jury trial of legal issues be lost through prior determinations of equitable claims." * * * Consequently, in a case such as this where there cannot even be a contention of such "imperative circumstances," *Beacon Theatres* requires that any legal issue for which a trial by jury is timely and properly demanded be submitted to a jury.

Id. at 472-3.

Since Tights' claim for money damages is legal in nature, the *Dairy Queen* principles would seem to require that the issues of patent validity and patent infringement, as issues in a legal claim, be submitted to the jury in our case. We turn then to a consideration of the arguments advanced by the respondents.

III

The argument put forth most vigorously and persistently by the respondents is that "there are no factual questions which are common to the issues of validity and infringement and the separate issues of damages, antitrust violation and breach of contract in these cases." This effort to amputate the issues of validity and infringement from the body of the legal action for damages is doomed to failure.

An action at law to recover damages cannot succeed unless the validity and infringement of the patent are first proved. To the extent that resolution of these two issues entails determinations of fact, either party is entitled to demand trial by jury. The fact that the questions of validity and infringement have no factual issues in common with the actual assessment of damages does not sever them from the legal action and remove them from the domain of the jury. Because a suit in equity for injunctive relief also cannot succeed unless the patent's validity and its infringement are proved, these two issues are common to the legal claim for damages and equitable claim for injunctive relief in each of the two cases involved in this mandamus petition. Thus, under *Dairy Queen, supra,* and *Beacon Theatres, supra,* it would appear that Tights is entitled to determination by a jury of any factual questions related to the validity and infringement issues.

Respondents have another answer ready at this point. They assert that these two issues are issues of law so that there is no role to be played by a jury. Well established precedent is emphatically to the contrary. *Graver Tank & Mfg. Co. v. Linde Co.,* 339 U.S. 605 (1950), involved alleged infringement of a patent for an electric welding process and fluxes to be used with it. The Supreme Court,

considering only the issue of infringement and particularly the doctrine of equivalents[1], stated quite explicitly:

> A finding of equivalence is a determination of fact. Proof can be made in any form: through testimony of experts or others versed in the technology; by documents, including texts and treaties; and of course, by the disclosures of the prior art. Like any other issue of fact, final determination requires a balancing of credibility, persuasiveness and weight of evidence.

Id. at 609-10.

Nor is the issue of validity devoid of factual questions, although the respondents cite *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950), for the principal that patent validity is a matter of law. That case is far from unambiguous on this point, but has been brightly illuminated by subsequent cases. In *Graham v. John Deere Co.*, 383 U.S. 1 (1966), the Supreme Court held two patents invalid under the nonobviousness standard of 35 U.S.C. § 103.[2] The Court's

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[1]This case presented issues of both validity and infringement when first considered by the Court. Graver Tank & Mfg. Co. v. Linde Co., 336 U.S. 271 (1949). Rehearing was granted, limited to the issue of infringement with specific desire expressed to hear argument as to the applicability of the doctrine of equivalents. 337 U.S. 910 (1949).

[2]§ 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

opinion included this elaboration on the nature of the validity issue:

> While the ultimate question of patent validity is one of law, *A & P Tea Co. v. Supermarket Corp.*, *supra*, at 155, the § 103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art are to be determined; difference between the prior art and the claims at issue are to be ascertained and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined.

Id. at 17.[3]

Needless to say, nothing in our opinion is intended to intimate any judgment as to whether the issues of validity and infringement would have to be put to the jury in any given case. By the time a case actually comes to trial the facts may have become sufficiently clear to entitle one party to a resolution of one or both issues as a matter of law. For example, we note that in two cases where the courts of appeals have upheld the right to jury trial[4] the

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[3]The circuits have specifically held that under *Graham v. John Deere* the questions of what the prior art was, what improvement the patents have effected, and the level of ordinary skill in the pertinent art are factual in nature; only the ultimate question of obviousness is one of law. *See, e.g.*, Waldon, Inc. v. Alexander Manufacturing Co., 423 F.2d 91 (5th Cir. 1970); Kaiser Industries Corp. v. McLouth Steel Corp., 400 F.2d 36 (6th Cir. 1968), *cert. denied*, 393 U.S. 1119 (1969); Hensley Equipment Co. v. Esco Corp., 375 F.2d 432 (9th Cir. 1967).

[4]In Monroe Auto Equipment Co. v. Heckethorn Mfg. & Supply Co., 305 F.2d 375 (6th Cir. 1962), the trial court had stricken a demand for jury trial and decided the case

District Courts on remand have held the disputed patents invalid as a matter of law.[5] In each case that disposition was upheld on appeal.[6] What these cases illustrate is that in a patent infringement suit seeking to recover damages the right to jury trial stands on the same footing as it does in any legal action. In a given case an issue may be foreclosed by the pleadings or by clearly dispositive evidence. And in a patent case, as in any other legal action, that issue may then be removed from the realm of jury determination by such means as involuntary dismissal, summary judgment, instructions to the jury, a directed ver-

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in favor of the defendant. *See* Monroe Auto Equipment Co. v. Heckethorn Mfg. & Supply Co., 204 F. Supp. 249 (W. D. Tenn. 1961). The Sixth Circuit vacated the judgment and remanded for consideration in light of *Dairy Queen*.

Swofford v. B & W, Inc., 336 F.2d 406 (5th Cir. 1964), *cert. denied*, 379 U.S. 962 (1965), involved an interloctutory appeal affirming the District Court's order granting a discretionary jury trial under Rule 39(b), Federal Rules of Civil Procedures. *See* Swofford v. B & W, Inc., 34 F.R.D. 15 (S.D. Texas 1963).

[5]In *Monroe Auto* the District Court denied plaintiff's motion to reinstate its demand for jury trial and adhered to its original judgment on the ground that "[n]o factual disputes needed resolution for the court to conclude as a matter of law that the three claims herein were invalid." Monroe Auto Equipment Co. v. Heckethorn Mfg. & Supply Co., 214 F. Supp. 704, 706-7 (W.D. Tenn. 1963).

In *Swofford* the entire case was submitted to the jury, which found the patent to be both valid and infringed. The judge, however, disregarded the jury findings as to the validity of the patent and held it invalid as a matter of law. Swofford v. B & W, Inc., 251 F. Supp. 811 (S.D. Texas 1966).

[6]Monroe Auto Equipment Co. v. Heckethorn Mfg. & Supply Co., 332 F.2d 406 (6th Cir.), *cert. denied*, 379 U.S. 888 (1964); Swofford v. B & W, Inc., 395 F.2d 362 (5th Cir.), *cert. denied*, 393 U.S. 935 (1968).

dict, or judgment notwithstanding the verdict.[7] But any disputed issues of fact must be left to the jury if either party so desires.

IV

The briefs filed in opposition to the petition for mandamus argue strongly that patent cases are too complicated and difficult for a jury to deal with. Consequently, our attention is directed to an exception in *Dairy Queen*, which it is argued might be applicable here:

> The necessary prerequisite to the right to maintain a suit for an equitable accounting, like all other equitable remedies, is, as we pointed out in *Beacon Theatres*, the absence of an adequate remedy at law. Consequently, in order to maintain such a suit on a cause of action cognizable at law, as this one is, the plaintiff must be able to show that the "accounts between the parties" are of such a "complicated nature" that only a court of equity can satisfactorily unravel them.

369 U.S. at 478.

The argument that patent cases as a class are inevitably so complicated as to justify their resolution by equitable accounting rather than trial before a jury must be rejected on a number of grounds. Perhaps the most significant difference between equitable and legal actions is the differences in the remedies available. Thus, the test of the availability of equity jurisdiction has always been, as the above quotation from *Dairy Queen* acknowledges, whether there exists an adequate *remedy* at law. For example, equity jurisdiction may be invoked to avoid having to bring

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[7] See Federal Rules of Civil Procedure, Rules 41(b), 56, 51, 50(a), and 50(b).

multiple suits at law.[8] And an equitable accounting may be sought where the legal remedy is inadequate because the accounts between the parties are too numerous and complicated for a jury to unravel. *Kirby v. Lake Shore & Michigan Southern Railroad*, 120 U.S. 130, 134 (1887).[9]

However, the Supreme Court has specifically rejected the argument that equity jurisdiction may be invoked because of the complexity and difficulty of issues of *liability* as distinguished from the complexity of accounting damages. *United States v. Bitter Root Development Co.*, 200 U.S. 451 (1906).[10] In the words of Mr. Justice Holmes, "mere complication of facts alone and difficulty of proof

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[8]*See, e.g.*, Wilson v. Illinois Southern Railway, 263 U.S. 574, 576-77 (1924) (Holmes, J.). For discussions of situations where remedies at law are regarded as inadequate, see Buzard v. Houston, 119 U.S. 347, 352-53 (1886); Parker v. Winnipiseogee Lake Cotton and Woolen Co., 67 U.S. (2 Black) 545, 551-52 (1862).

[9]Goffe & Clarkener, Inc. v. Lyons Milling Co., 26 F.2d 801 (D. Kan. 1928), discusses many of the early cases upholding and rejecting equity jurisdiction under this rule. 26 F.2d at 802-04.

[10]In the *Bitter Root Development* case the United States, relying partially on the *Kirby* case cited in the text, *supra*, argued that an account could not be justly and fairly taken at law. 200 U.S. at 467. Mr. Justice Peckham responded for the Court:

> The principal ground upon which it is claimed that the remedy at law is inadequate is really nothing more than a difficulty in proving the case against the defendants. The bill shows that whatever was done in the way of cutting the timber and carrying it away was done by the defendants as tort feasors, and the various devices alleged to have been resorted to by the deceased, Daly, by way of organizing different corporations, in order to, as alleged, cover up his tracks and to render it more difficult for the complaintant to make proof of his action, does not in the least tend to give a court of equity jurisidiction on that account.

200 U.S. at 472.

are not a basis of equity jurisdiction." *Curriden v. Middleton*, 232 U.S. 633, 636 (1914).

This distinction between complex accounts and complex issues of liability as sufficient bases for equity jurisdiction is best illustrated by our court's decision in *Broderick v. American General Corporation*, 71 F.2d 864 (4th Cir. 1934). Broderick was superintendent of banks of the state of New York and sought to recover a statutory assessment against stockholders of the failed Bank of United States. He alleged that the bank's liabilities exceeded its assets by some $34,000,000, exclusive of an additional $10,000,000 of accrued interest owed. Although the questions to be determined in the case included the necessity for taking over the bank and the amount of its assets and liabilities, Judge Parker stated the conclusion of a unanimous court that "[t]he insolvency of the bank and the necessity for an assessment of the stock liability may involve the proof of complicated facts; but as has been frequently held this is no ground upon which equity can assume jurisdiction." 71 F.2d at 868.

If the scope of "equitable accounting" is to be expanded to encompass cases felt to be too complex or esoteric for trial to a jury, we think that expansion must come from the Supreme Court. We do not construe any language in the *Dairy Queen* opinion to sanction this further limitation of the right to jury trial.[11]

But even assuming that resort to an equitable accounting could be justified by the difficulty and complexity of an issue of liability, this case would not present adequate

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[11]Nor does it seem likely that the Court will adopt this limitation in the near future in light of the solicitude it has shown for the Seventh Amendment by its decisions in *Beacon Theatres, Dairy Queen*, and Ross v. Bernhard, 396 U.S. 531 (1970).

justification. In the first place, the scope of the exception set forth in *Dairy Queen* is tightly confined:

> [I]n order to maintain [a suit for an equitable accounting] on a cause of action cognizable at law, as this one is, the plaintiff must be able to show that the "accounts between the parties" are of such a "complicated nature" that only a court of equity can satisfactorily unravel them. In view of the powers given to District Courts by Federal Rule of Civil Procedure 53(b) to appoint masters to assist the jury in those exceptional cases where the legal issues are too complicated for the jury adequately to handle alone, the burden of such a showing is considerably increased and it will indeed be a rare case in which it can be met.

369 U.S. at 478. This limitation of the exception would apply as well to a rule justifying equity jurisdiction by the complexity of preliminary issues of liability since those issues as well as issues of accounting damages may be referred to a master under Rule 53(b) if they are sufficiently complicated. *Burgess v. Williams*, 302 F.2d 91 (4th Cir. 1962).

Moreover, the patent here at issue does not present the opaque technicalities which might cause a jury particular difficulty. It involves no abstract scientific theories, no intricate mechanical devices, no complex chemical compounds. Indeed, it seems likely that the average woman juror with sewing or knitting experience would be better qualified than most district judges to determine whether the patent is valid and whether it has been infringed.

V

Because it has been so insistently urged upon us that patent cases are singularly inappropriate for trial by jury,

and that issues of validity and infringement are matters of law not to be left to the jury's speculation, we think it appropriate to add a brief historical review of the use of juries in patent cases.

Patent law is statutory law, and the original patent act in 1790 provided only for monetary relief, specifically; "such damages as shall be assessed by a jury * * *."[12] This statute was repealed and replaced by a new act in 1793. The new law dropped the specific reference to jury trial, but provided that damages were to be recoverd in "in an action on the case * * *,"[13] a common law remedy. This specification of recovery by "action on the case" was retained through all subsequent revisions of the patent law until the Patent Act of 1952 substituted the phrase "civil action"[14] to reflect the merger of law and equity in the federal courts.[15]

It was not until 1819, nearly thirty years after enactment of the first patent law, that the federal courts were even authorized to entertain patent-infringement suits in equity and grant equitable relief.[16] No patent suits in

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[12]Act of April 10, 1790, ch. 7, § 4, 1 Stat. 109.

[13]Act of Feb. 21, 1793, ch. 11, § 5, 1 Stat. 318.

[14]*See* 35 U.S.C. § 281.

[15]The Third Circuit has considered and rejected the argument that the 1952 revision "expressed an intention to overthrow the well-settled principle that jury trials are available in actions for damages for infringement * * *." Kennedy v. Lakso Company, 414 F.2d 1249, 1252 (3rd Cir. 1969).

[16]*See* Act of Feb. 15, 1819, ch. 19, 3 Stat. 481.

Apparently injunctions had been granted by federal courts prior to 1819 in several diversity cases involving patents. *See* Root v. Railroad Co., 105 U.S. 189, 192 (1881).

equity appear in the United States Reports until 1846,[17] although there are numerous reports of earlier appeals in patent cases tried before juries.[18]

Not only has it long been common for patent infringement cases to be brought as actions at law and tried to juries, but the issues of validity and infringement have been held in numerous cases to present questions of fact for resolution by the jury.[19] Typical of these cases is *Battin v. Taggert*, 58 U.S. (17 How.) 74 (1854). The trial court had taken both issues from the jury, instructing them that a verdict "must be for the defendants." Justice McLean spoke for a unanimous Supreme Court, reversing and remanding for a new trial:

> It was the right of the jury to determine, from the facts in the case, whether the specifications, including the claim, were so precise as to enable any person skilled in the structure of machines, to make the one described.

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[17]*See* Simpson v. Wilson, 45 U.S. (4 How.) 709 (1846); Wilson v. Turner, 45 U.S. (4 How.) 712 (1846); Woodworth v. Wilson, 45 U.S. (4 How.) 712 (1846).

[18]*See* McClung v. Kingsland, 42 U.S. (1 How.) 202 (1843); Prouty and Means v. Ruggles, 41 U.S. (16 Pet.) 336 (1842); Philadelphia & Trenton R.R. Co. v. Stimson, 39 U.S. (14 Pet.) 448 (1840); Shaw v. Cooper, 32 U.S. (7 Pet.) 292 (1833); Grant v. Raymond, 31 U.S. (6 Pet.) 218 (1832); Pennock & Sellers v. Dialogue, 27 U.S. (2 Pet.) 1 (1829); Keplinger v. DeYoung, 23 U.S. (10 Wheat.) 358 (1825); Evans v. Hettich, 20 U.S. (7 Wheat.) 453 (1822); Evans v. Eaton, 20 U.S. (7 Wheat.) 356 (1822); Tyler v. Tuel, 10 U.S. (6 Cranch) 324 (1810).

[19]*See, e.g.*, Turrill v. Michigan Southern & Northern Indiana R.R. Co., 68 U.S. (1 Wall.) 491 (1863) (validity); Winans v. Denmead, 56 U.S. (15 How.) 330 (1853) (infringement); Silsby v. Foote, 55 U.S. (14 How.) 218 (1852) (infringement); Wood v. Underhill, 46 U.S. (5 How.) 1 (1847) (validity).

> This the statute requires, and of this the jury are to judge.
>
> The jury are also to judge of the novelty of the invention, and whether the renewal patent is for the same invention as the original patent; and they are to determine whether the invention has been abandoned to the public. There are other questions of fact which come within the province of a jury; such as the identity of the machine used by the defendant with that of the plaintiff's, or whether they have been constructed and act on the same principle.

Id. at 85.

Even more pertinent to our case and to respondents' arguments concerning the inappropriateness of jury resolution of validity and infringement issues is *Wilson v. Barnum*, 49 U.S. (8 How.) 258 (1850). Wilson, as assignee of a patent on a machine for planing, tonguing, and grooving boards, instituted suit in equity seeking an injunction. From the report of the Supreme Court opinion, the patented invention seems much more complex than that involved in our case; the trial involved "[a] great mass of testimony * * * on both sides * * *, and models and drawings produced of the two machines * * *." *Id.* at 261. Despite the fact that it was sitting in equity, the court ordered the issue of infringement tried by a jury. When the jury was unable to agree, and the two judges of the Circuit Court for the Eastern District of Pennsylvania were unable to agree, the question whether the defendant's machine infringed the plaintiff's patent was certified to the Supreme Court. Chief Justice Taney delivered the opinion of the Court:

> The question thus certified is one of fact, and has been discussed as such in the arguments offered on both

> sides. It is a question as to the substantial identity of the two machines. And its decision must depend upon the testimony of witnesses; the examination of the models and drawings, or of the machines themselves; and the application of mechanical principles and combinations, which the court could learn only from the testimony of persons skilled in the science of mechanics.
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> * * *
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> The question now certified being one of fact, we have no jurisdiction; and the case must be remanded to the Circuit Court, to be there proceeded in as law and justice may require.

Id. at 261-62.

This excursion into history is intended only to illustrate that jury trials in patent cases are no new or revolutionary development in the law. If a revolution has been wrought, it was done by *Dairy Queen* which prohibits our adherence to the old doctrine that "[t]he right to an account of profits is incident to the right to an injunction in copy and patent-right cases."[20] Under the reasoning of *Dairy Queen,* because the claim for a money judgment is legal in nature, the right to jury trial on that claim is not lost by combin-

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[20]Stevens v. Gladding, 58 U.S. (17 How.) 447, 455 (1854). Although *Stevens* is a copyright case, patent cases allowing accountings for profits incident to injunctive relief are legion. *See, e.g.,* Rubber Company v. Goodyear, 76 U.S. (7 Wall.) 788 (1869); Livingston v. Woodworth, 56 U.S. (15 How.) 546 (1853). Prior to *Dairy Queen* the Court had even gone so far as to state that

> if the case was one for equitable relief when the suit was instituted; the mere fact that the ground for such relief expired by the expiration of the patent, would not take away the jurisdiction, and preclude the court from proceeding to grant the incidental relief which belongs to cases of that sort.

Clark v. Wooster, 119 U.S. 322, 325 (1886).

ing it with a claim for injunctive relief. *See Dairy Queen, supra*, at 470-73.

We are neither oblivious of nor insensitive to the contentions that the jury trial is a cumbersome and unwieldy mechanism for dealing with the complex factual settings and intricate legal framework of patent cases. We cannot dispute the assertion that the trial of all patent cases to juries would add significantly to the congestion of district court dockets. However, we are compelled to echo the words of Judge Frank, speaking for the Second Circuit in *Bereslavsky v. Caffey*, 161 F.2d 499, 500 (2d Cir. 1947):

> It is of no moment that we believe that trial by a jury of a patent suit is usually undesirable, since it is well settled that such a trial may be demanded where the sole claim is for money,[21] if the demand be timely, as we hold it was here.

Beacon Theatres and *Dairy Queen* have dated this statement of the law, but to the benefit of Tights, since it is now "well settled that such a trial may be demanded" where the claim for money is joined with a claim for injunctive relief.

The writ will issue directing the District Judge to vacate so much of the orders of December 14, 1970, as strike the demands of Tights, Inc., for a jury trial of the issues of patent validity and patent infringement.

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[21]Respondents assert that Tights failed to make timely demands for jury trial. However, the issues of validity and infringement raised by the respective counter-claims are, in each case, identical to the issues of validity and infringement raised by the original complaints. Thus, the last pleadings directed to those issues are the replies to the counter-claims. Since Tights joined its demand for jury trial with its reply in each case, the demands were clearly filed within the requisite ten-day period. *See* Federal Rules of Civil Procedure, Rule 38(b).

Appendix B

United States Court of Appeals

FOR THE FOURTH CIRCUIT

No. 71-1018.

Tights, Inc.,

Petitioner,

versus

The Honorable Edwin M. Stanley,
Chief Judge, United States
District Court for the Middle
District of North Carolina,

Respondent.

ON PETITION FOR WRIT OF MANDAMUS . . . .

Upon consideration of the motion for stay of the mandate pending application to the Supreme Court for writ of certiorari by Acme McCrary Corporation and Kayser-Roth Corporation by their attorneys and for cause shown,

IT IS ORDERED that the mandate in the above-entitled case be, and it is hereby stayed pending application for a writ of certiorari in the Supreme Court of the United States, provided the application is filed in the said Supreme Court within the time prescribed by law.

s/ *Samuel W. Phillips*
CLERK

FILED
May 6, 1971
Samuel W. Phillips
CLERK

Appendix C

IN THE

United States District Court

FOR THE MIDDLE DISTRICT OF
NORTH CAROLINA
GREENSBORO DIVISION

TIGHTS, INC.,
Plaintiff,
v.
ACME-McCRARY CORPORATION,
Defendant.

Civil Action
No. C-258-G-69

ORDER

THIS CAUSE coming on to be heard on December 4, 1970, and being heard upon various motions of the parties, and an initial pre-trial conference having been conducted, and the parties being represented by counsel and having presented oral argument, and the Court having considered the briefs and supporting documents filed by the parties;

It is ORDERED:

1. Defendant's motion to strike plaintiff's demand for jury trial, as filed on November 23, 1970, is granted as to those triable issues of validity and infringement of Letters Patent RE 25,360. The controlling issues with respect to the injunctive relief sought by plaintiff, which is equitable in nature, are the issues of validity and infringement. These issues of validity and infringement are hereby separated from the remaining issues of accounting for damages

and antitrust violations, and shall first be tried by the Court without a jury.

Defendant's motion to strike plaintiff's demand for jury trial is denied as to those remaining triable issues of accounting for damages and antitrust violations. The trial of these remaining issues before the jury will be held subsequent to the trial of the issues without a jury.

2. Plaintiff's motion for consolidation, as filed on November 27, 1970, is granted to the extent that, wherever feasible, and in order to avoid unnecessary costs and delay, discovery proceedings with respect to the common issues of validity and infringement in this action and in the action of *Tights, Inc. v. Kayser-Roth Corporation*, No. C-179-G-70, shall be conducted in either action as if conducted in the other action.

3. Plaintiff's motion, as filed on November 27, 1970, for a protective order relating to defendant's notice of depositions of plaintiff's officers is denied.

This the 14 day of December, 1970.

EDWIN M. STANLEY

United States District Judge

CONSENTED AS TO FORM:

/s/ Jack Floyd

Attorney for Plaintiff

Paul B. Bell

Attorney for Defendant

Appendix C

IN THE

United States District Court

FOR THE MIDDLE DISTRICT OF

NORTH CAROLINA

GREENSBORO DIVISION

TIGHTS, INC., Plaintiff,

v.

KAYSER-ROTH CORPORATION, Defendant.

Civil Action No. C-179-G-70

ORDER

THIS CAUSE coming on to be heard on December 4, 1970, and being heard upon various motions of the parties, and an initial pre-trial conference having been conducted, and the parties being represented by counsel and having presented oral argument, and the Court having considered the briefs and supporting documents filed by the parties;

It is ORDERED:

1. Plaintiff's application for a preliminary injunction, as filed September 3, 1970, is denied.

2. Defendant's motion, as filed on October 12, 1970, to dismiss the second count of the complaint, or in the alternative to strike those allegations in the second count relating to events or actions prior to August 1, 1968, is denied at this time, without prejudice to the right of defendant

to renew the motion at the conclusion of the discovery period.

3. Plaintiff's motion, as filed on October 28, 1970, to dismiss defendant's second affirmative defense and to strike it from the answer is denied, without prejudice to the right of plaintiff to renew the motion at the conclusion of the discovery period.

4. Defendant's motion to strike plaintiff's demand for jury trial, as filed on December 4, 1970, is granted as to those triable issues of validity and infringement of Letters Patent RE 25,360. The controlling issues with respect to the injunctive relief sought by plaintiff, which is equitable in nature, are the issues of validity and infringement. These issues of validity and infringement are hereby separated from the remaining issues of accounting for damages, breach of contract and antitrust violations, and shall first be tried by the Court without a jury.

Defendant's motion to strike plaintiff's demand for jury trial is denied as to those remaining triable issues of accounting for damages, breach of contract and antitrust violations. The trial of these remaining issues before the jury will be held subsequent to the trial of the issues without a jury.

5. Plaintiff's motion for consolidation, as filed on November 27, 1970, is granted to the extent that, wherever feasible, and in order to avoid unnecessary costs and delay, discovery proceedings with respect to the common issues of validity and infringement in this action and in the action of *Tights, Inc. v. Acme-McCrary Corporation,* No. C-258-G-69, shall be conducted in either action as if conducted in the other action.

6. (a) The parties having stipulated to and agreed with the statement attached to this Order, defendant's motion under Rule 37 to compel answers to questions submitted to plaintiff's officer upon oral examination, filed on September 24, 1970, has become moot and therefore unnecessary to rule upon.

(b) Plaintiff's motion, as filed on November 13, 1970, for a protective order relating to defendant's first request for production of documents is denied.

This the 14 day of December, 1970.

EDWIN M. STANLEY
United States District Judge

CONSENTED AS TO FORM:

/s/ Jack Floyd
Attorney for Plaintiff

Thornton H. Brooks
Attorney for Defendant

Appendix D

March 26, 1963 E. G. RICE Re. 25,360

COMBINATION STOCKINGS AND PANTY

Original Filed Nov. 9, 1956

Fig. 1.

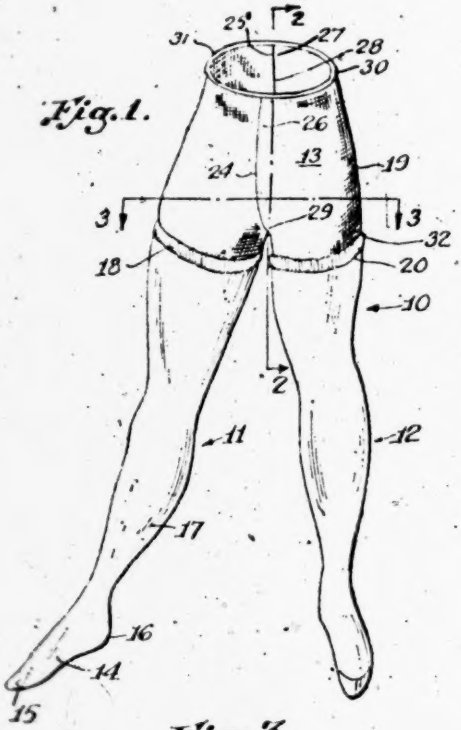

Fig. 2.

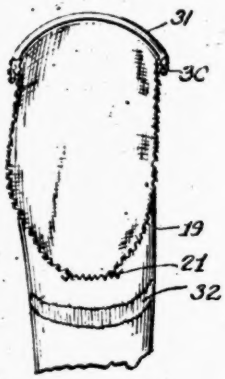

Fig. 3.

Fig. 4.

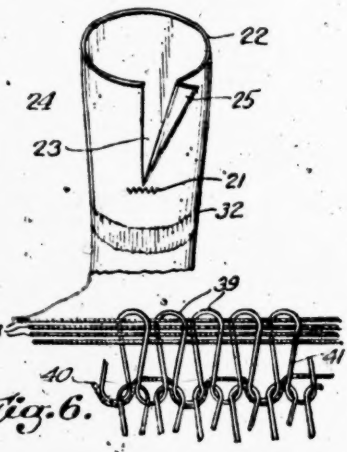

Fig. 5.

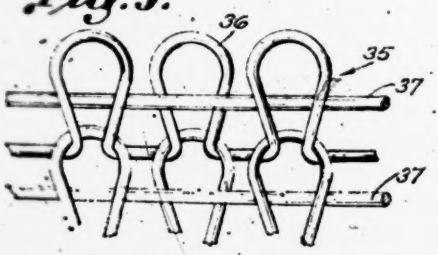

Fig. 6.

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United States Patent Office

Re. 25,360
Reissued Mar. 26, 1963

25,360

COMBINATION STOCKINGS AND PANTY

Ernest G. Rice, High Point, N.C., assignor to Tightpat, Inc., Greensboro, N.C., a corporation of North Carolina

Original No. 2,826,760, dated Mar. 18, 1958, Ser. No. 621,464, Nov. 9, 1956. Application for reissue Mar. 18, 1958, Ser. No. 724,220

1 Claim. (Cl. 2—224)

Matter enclosed in heavy brackets [ ] appears in the original patent but forms no part of this reissue specification; matter printed in italics indicates the additions made by reissue.

The present invention relates to ladies' knitted articles and more particularly to a combination garment in which a pair of stockings and underpants are unitarily formed.

Separate garter belts or hosiery supporter attachments to ladies' foundation garments are necessary in order to provide a fastening means for the welt of a stocking to retain a stocking in a taut condition while on the wearer's leg. Frequently snags or runs are produced in the stockings by improper garter fastening means or by occasional adjustment to the stockings.

It is an object of this invention to provide a unitary garment which includes a pair of stockings and a pair of underpants that eliminates the need for garter attachments and belts.

Another object of this invention is the provision of a combination garment which includes a pair of ladies' seamless stockings and a panty formed together with the stockings.

Yet another object of the present invention is the provision of a unitary knitted panty-stocking garment in which the panty portion may be separated from the stockings when the stockings are to be discarded.

Still a further object of this invention is the provision of an economical combination garment which garment includes a pair of seamless stockings and a panty girdle.

The present invention contemplates a combination garment in which a pair of circular knit seamless stockings, preferably of nylon, having foot, leg and individual welt portions is integrally combined with an upper enlarged tubular or welt section that is knit as a continuation of the stocking welts to form a pair of underpants having a crotch portion therebetween.

Other and further objects and many of the attendant advantages of this novel garment combination will become more readily apparent as the invention becomes better understood from the following detailed description taken in conjunction with the accompanying drawings in which like characters of reference designate corresponding parts throughout the several views, and wherein:

FIG. 1 is a front perspective view of one embodiment of the combination stocking-panty garment of the present invention;

FIG. 2 is a partial transverse sectional view taken substantially along the plane of section line 2—2 of FIG. 1;

FIG. 3 is a transverse sectional view taken substantially along the plane of section line 3—3 of FIG. 1;

FIG. 4 illustrates the top portion of a single stocking with an elongated welt having a partial longitudinal slit therein;

FIG. 5 is a greatly enlarged view of a knitted fabric for the upper portion of the garment having elastic yarn laid into the knitted fabric without interknitting with the loop stitches; and

FIG. 6 is a greatly enlarged view of a modified knitted fabric for the upper portion of the garment in which the top loops have a plurality of elastic yarns laid in a course of stitches without interknitting and a course having a single elastic yarn interlaced with the loop stitches.

Referring to the drawing and more particularly to FIG.

1 there is illustrated a combination garment 10 in which individual ladies' stockings 11 and 12 are provided with the upper portions of the stockings united so as to form a pair of underpants 13. The invention will be described specifically with reference to a preferred embodiment, however, it is to be understood that it is not intended in any limitative sense. The stockings 11 and 12 are conventional seamless sheer stockings, preferably formed of nylon yarn, produced on a standard "400" needle circular knitting machine. Each stocking is constituted by a foot portion 14, preferably having reinforced toe and heel pockets 15, 16, respectively, a leg portion 17, a lower welt portion 18 and an upper elongated welt portion 19. Customarly a 15 denier continuous monofilament nylon yarn is used to form the sheer portion of the stocking and 30 denier yarn is desirable for use in combination with the 15 denier yarn in those regions where reinforcement is desirable including the lower welt portion 18. However, finer or coarser yarn may be employed at various knitted positions in the knitted fabric. Furthermore, it is also contemplated that stretch nylon yarn may also be employed to knit each of the stockings throughout.

The upper elongated welt portion 19 is preferably knit on the same circular knitting machine as the leg of the stocking with a plied multifilament yarn, such as 70 or 100 denier. Yarn in the elongated welt portion 19 may be of stretch nylon type, if desirable, or of one of a combination knitted constructions as will be described hereinafter. In the fabrication of the tubular knitted farbic, the welt is formed in the usual manner as is the remainder of the stocking with the exception that the upper welt portion is considerably longer than a conventional welt.

Upon completion of the tubular fabric constituting a single stocking, a transverse seam or line of sewing stitches 21 is sewn in the stocking on the inside portion of the leg with the stitches being in spaced relation to the welt 22. By making the stitches in the sewn line 21 sufficiently small to catch the knitted loops a run and ravel in the fabric may be eliminated at the juncture between the flaps. A longitudinal cut 23 is then made in the welt of the fabric which cut extends just short of the transverse stitches 21 thereby dividing the top welt portion of a right leg stocking 11 into a front and a rear flap 24 and 25, respectively, and the top welt portion of a left leg stocking 12 is divided in front and rear flaps 26 and 27, respectively.

A pair of stockings, one right and one left leg, in which the elongated welts are slit may be placed together in the correct oriented position with the front flaps 24 and 26 and the rear flaps 25 and 27 of the stockings placed together and the exposed flap sides sewn together by a continuous seam 28. The seam 28 forms a U-shaped configuration in end view, as more clearly illustrated in FIG. 2, for securing the two stocking welts together along the cut portions to form a single enlarged welt at the top of the stockings that resembles a pair of underpants or a panty. As will be apparent, the perimeter of the single welt for pantry portion will be equal substantially to twice the perimeter of the tubular welt portion at the corresponding position of measurement.

The medial portion 29 of the seam 29 formulates a crotch area of the panty above the welt line 20. Obviously, a reinforced panel may be sewn to the crotch area, if necessary. Thus each elongated welt 19 provides a half panel for the panty portion of the garment which panel reaches from the front center portion of the front of the garment of the center portion at the rear of the garment. A woven elastic tape 30 is sewed adjacent to the top edge 31 of the panty portion to provide the requisite elasticity for the top of the garment.

It has been found desirable to provide a circumferential seam 32 for each of the stockings 11 and 12 sufficiently

below the terminal point of the longitudinal slit 23, as shown in FIGS. 1, 2 and 3. When the garment is provided with the seams 32 the stockings, when no longer serviceable, may be separated, as by cutting below the seam 32, from the panty portion of the garment and discarded. The seam 32 will reduce the possibility of runs occurring from the selvedge remaining below the seam.

Although stretch nylon yarn from 70 to 100 denier has been employed in the elongated welt portions of the stockings, and found to be satisfactory, inelastic yarns may be employed with very satisfactory results. It is also contemplated that with an inelastic yarn being fed to the needles in the usual manner, added elasticity may be provided in the upper welt fabric by either knitting or laying in without interknitting a highly elastic yarn into the fabric at selected courses or in all the courses of the welt knitted fabric.

As illustrated in FIG. 5, the knitted fabric 35 for the upper welt may be formed in the usual manner with an inelastic yarn forming the loops 36 with an interlaid highly elastic strand 37 placed in each course, alternating in front of one wale and to the rear of the next wale. Obviously, the number of wales and the sequence for the elastic yarn distribution may be varied as well as the number of strands which are to be interlaid in each course. It may be desirable to include several courses of the fabric illustrated in FIG. 5 intermediate the length of each stocking above the knee to provide an added means for supporting each stocking.

A modified treatment of the highly elastic fabric is illustrated in FIG. 6 in which a plurality of highly elastic yarns 38, under suitable tension, are laid in the initial course of the selvedge edge loops 39 and retained therein without interknitting with the loops as performed in a recognized manner. The elastic yarn 40 in the tubular fabric is laid in under tension without interknitting with the loops 41 by interlacing engagement with the loop stitches in alternate needle wales and passed behind the loops in the intermediate needle wales. The extent of insertion of the highly elastic yarn may vary from several courses at the band or top of the garment to a full highly elastic fabric in the upper welt portion. Obviously, other knitted structures are contemplated in which highly elastic yarns or strands may be employed in this combination garment to form a highly elastic band member as well as a highly elastic panty.

It will be appreciated that upon making the longitudinal cut in the welt of each stocking there may be a

tendency for the interlaid highly elastic yarn to pull out, however, adequate relaxation of the elastic strands and frictional engagement with the knitted loop structure prevents the cut ends from contracting. Upon sewing the flaps together the cut elastic strand ends are gathered within the seam and will not pull out.

Obviously many modifications and variations may be made in the construction and arrangement of the upper welt portions of the stockings to form the underpants of the combination garment as well as a transfer operation of the pair of stockings to obtain a variation of the fabric for the upper portion in the light of the above teachings without departing from the real spirit and purpose of this invention. It is, therefore, to be understood that within the scope of the appended claim many modified forms of knitted structure may be reasonably included and modifications are contemplated.

What is claimed is:

A combination panty and stocking formed from circularly knit fabric comprising a pair of stockings of seamless knit construction having foot, leg and welt portions, said welt portions being knit of stretchable yarn and adapted to extend above the knee to the waist of the wearer, said welts each having a longitudinal [seam] *slit* intermediate the front and rear of the stocking, said first and second stockings being oriented to position the longitudinal [seams] *slits* adjacent each other, and a seam joining the corresponding front and rear edges formed by the longitudinal slits to form a U-shaped seam intermediate a single enlarged welt and defining the panty.

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